

U.S. Small Business Administration



Your Small Business Resource

# COMMUNITY EXPRESS LOAN

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## SBA COMMUNITY EXPRESS LOAN

The U.S. Small Business Administration (SBA) has developed a new loan program to provide financial assistance, capital access, and technical and management assistance to Hawai'i's small business community.

SBA, in partnership with four banks, is providing start-up and expansion capital that receives an 85% guaranty from the SBA. There is no pre-payment penalty. The application requires minimal paperwork. No collateral is required in most cases.

### Available Financing Options

Different financing options are available through the four banks:

**Innovative Bank** of Oakland, California: small business owners may receive loans in increments of \$5,000, \$10,000, \$15,000 (start-up firms), \$20,000 or \$25,000 (firms 2 years and older) with a 7-year term.

**Business Loan Express** of Panama City Beach, Florida: small business owners may receive loans from \$5,000 to \$50,000 with a 7-year term.

**Central Pacific Bank:** small business owners may receive loans or lines of credit from \$15,000 up to \$100,000 with terms up to 7 years.

**Bank of Hawai'i:** small business owners may receive loans from \$25,000 up to \$250,000 with terms up to 7 years.

### Eligibility

This new SBA loan product is designed to increase lending to Hawai'i's small businesses. The owners, partners and/or principals must be of good character and have good credit.

### Use of Proceeds

Loan proceeds must be used exclusively for business-related purposes.

### Free Technical Assistance

The SBA views management and technical assistance as a critical component to the development, growth, and success of the potential borrower. This program is structured to ensure that borrowers receive appropriate pre-loan and post-loan closing management and technical assistance.

### How to Apply

The Technical Assistance Providers listed for each bank will walk you through the application process. Contact them for more information.

Lender		Innovative Bank	Business Loan Express
Technical Assistance Providers	O'ahu	Business Plans Hawai'i 735-5597 Hawai'i Small Business Development Center Network 523-6118 Hawai'i Women's Business Center 526-1001 Honolulu Minority Business Enterprise Center 956-0850 Pacific Gateway Center 852-6100 Serious Business Solutions (Kaneohe) 235-1262 Service Corps of Retired Executives 547-2700 SugarMill Incubator LLC 637-2466	Business Plans Hawai'i 735-5597 Hawai'i Small Business Development Center Network 523-6118 Hawai'i Women's Business Center 526-1001 Honolulu Minority Business Enterprise Center 956-0850 Micro Software Systems 589-1997 Serious Business Solutions (Kaneohe) 235-1262 SugarMill Incubator LLC 637-2466
	Maui	Hawai'i Small Business Development Center Network-Maui 875-2402	Hawai'i Small Business Development Center Network-Maui 875-2402 Maui County Business Resource Center 873-8247
	Hawai'i	Hawai'i Small Business Development Center Network-Big Island 933-0776	Hawai'i Small Business Development Center Network-Big Island 933-0776
	Kaua'i	Hawai'i Small Business Development Center Network-Kaua'i 246-1748 Pacific Gateway Center-Kaua'i 852-6100	Hawai'i Small Business Development Center Network-Kaua'i 246-1748 Pacific Gateway Center-Kaua'i 852-6100
Interest Rate		Prime <u>plus</u> 4.75%  <i>Note: Prime rate is based on the lowest prime rate as published in the Wall Street Journal on the day the application is received. The interest rate is a variable rate that fluctuates during the term of the loan.</i>	Prime <u>plus</u> 4.75% on loans of \$5,000 to \$25,000 Prime <u>plus</u> 3.75% on loans of \$26,000 to \$50,000
Amount & Term		Increments of \$5,000, \$10,000 or \$15,000 for start-up firms with a 7-year term Increments of \$20,000 or \$25,000 for firms 2 years or older with a 7-year term	\$5,000 up to \$50,000 with a 7-year term
Fees		Packaging fee of \$475 is due upon submission of application  <b>One time SBA guaranty fee:</b> \$5,000 option - guaranty fee is included in packaging fee \$10,000 option, add an additional \$170 \$15,000 option, add an additional \$255 \$20,000 option, add an additional \$340 \$25,000 option, add an additional \$425  <i>Notes: No packaging fee will be charged for unapproved loan applications. Packaging fee check not processed until loan approved and funds disbursed. Both packaging fee and guaranty fee will be deducted from loan proceeds.</i>	Packaging fee of \$350 is deducted from loan proceeds  <b>One time SBA guaranty fee:</b> 2% of guaranteed portion of loan
Eligibility		▪ <u>Good credit</u> based on: 1) industry specific credit matrix developed with SBA, and 2) personal credit history	▪ <u>Good credit</u> based on: 1) industry-specific credit matrix developed with SBA, 2) personal credit history and 3) current and recent past due accounts and collection accounts will have a very negative effect on the applicant's score and loan decision
Prerequisites		▪ Business license ▪ Business banking account	▪ Business license ▪ Business banking account
Things NOT required		▪ Collateral ▪ Business plan ▪ Financial statements ▪ Tax returns	▪ Collateral ▪ Business plan ▪ Financial statements ▪ Tax returns
Things to know		▪ Monthly electronic payments  <u>For veterans only (51% or more ownership):</u> ▪ 3 month payment deferral/no interest accrual  <i>Note: Average approval time is three (3) weeks; longer if an INS clearance is required.</i>	▪ Monthly electronic payments ▪ If loan is for a franchise, the franchise must be on SBA approved Franchise Registry. (www.franchiseregistry.com/registry) ▪ Loan funds for business acquisition not allowed. Working capital loan to business after acquisition has been completed is permitted. ▪ Minimum 10% equity injection required

Lender	Central Pacific Bank	Bank of Hawai'i
<b>Technical Assistance Providers</b>	<b>O'ahu</b> Business Plans Hawai'i 735-5597 Hawai'i Center for Entrepreneurship 944-1163 Hawai'i Small Business Development Center Network 523-6118 Hawai'i Women's Business Center 526-1001 Honolulu Minority Business Enterprise Center 956-0850 Micro Software Systems 589-1997 Pacific Gateway Center 852-6100 Serious Business Solutions (Kāne'ohe) 235-1262 SugarMill Incubator LLC 637-2466	Business Plans Hawai'i 735-5597 Hawai'i Small Business Development Center Network 523-6118 Hawai'i Women's Business Center 526-1001 Honolulu Minority Business Enterprise Center 956-0850 Serious Business Solutions (Kaneohe) 235-1262 SugarMill Incubator LLC 637-2466
	<b>Maui</b> Hawai'i Small Business Development Center Network-Maui 875-2402 Maui County Business Resource Center 873-8247 MEO Business Development Corp. 249-2990	Hawai'i Small Business Development Center Network-Maui 875-2402 Maui County Business Resource Center 873-8247 MEO Business Development Corp. 249-2990
	<b>Hawai'i</b> Hawai'i Small Business Development Center Network-Big Island 933-0776	Hawai'i Small Business Development Center Network-Big Island 933-0776
	<b>Kaua'i</b> Hawai'i Small Business Development Center Network-Kaua'i 246-1748 Pacific Gateway Center-Kaua'i 852-6100	Hawai'i Small Business Development Center Network-Kaua'i 246-1748
<b>Interest Rate</b>	Variable rate = prime <u>plus</u> 2% to 5% (based on credit score)  <i>Note: Prime rate is based on the lowest prime rate as published in the Wall Street Journal on the day the application is received. The interest rate is a variable rate that fluctuates during the term of the loan.</i>	Variable rate = prime <u>plus</u> 2% to 4%
<b>Amount &amp; Term</b>	\$15,000 up to \$100,000 with terms up to 7 years	\$25,000 up to \$250,000 with terms up to 7 years
<b>Fees</b>	Packaging fee of \$400 is due upon signing of loan documents  <b>One time SBA guaranty fee:</b> .25% of guaranteed portion for loan of one year or less* 2% of guaranteed portion for loan that exceeds one year  *If 1-year line of credit is renewed for a second year, the remaining 1.75% SBA guaranty fee will be collected from the borrower.  <i>Notes: No packaging fee will be charged for unapproved loan applications. Packaging fee check not processed until loan approved and funds disbursed. Both packaging fee and guaranty fee will be deducted from loan proceeds.</i>	Packaging fee of \$400 is due upon signing of loan documents  <b>One time SBA guaranty fee:</b> 2% of guaranteed portion for loan of \$150,000 or less 3% of guaranteed portion for loan of \$150,001 up to \$250,000
<b>Eligibility</b>	▪ <u>Good credit</u>	▪ <u>Good credit</u>
<b>Prerequisites</b>	▪ Business license, proper identification of business and guarantor, and organizational documents required with application package ▪ Abbreviated business plan for businesses with less than 2 years operating history, or as applicable ▪ Business banking account	▪ Business license, proper identification of business and guarantor, and organizational documents required with application package ▪ Abbreviated business plan for businesses with less than 2 years operating history, or as applicable ▪ Business banking account
<b>Things NOT required</b>	▪ Collateral ▪ Financial statements ▪ Tax returns	<u>For loans under \$50,000 only:</u> ▪ Collateral ▪ Business financial statements ▪ Tax returns
<b>Things to know</b>	▪ Approval based on creditworthiness of borrower(s) ▪ Loan payments will be automatically paid electronically ▪ Minimum 10% equity injection required  <i>Note: Average approval time is three (3) weeks; longer if an INS clearance is required.</i>	▪ On line application via BoH.com ▪ Approval based on creditworthiness of borrower(s) ▪ Loan payments will be automatically paid electronically ▪ Term loans and lines of credit are available ▪ Minimum 10% equity injection required